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News from State Auditor Ed Hatchett's Office

Hatchett Releases Audit of Leslie County Fiscal Court

(Frankfort) State Auditor Ed Hatchett has released his audit of the financial statements of the Leslie County Fiscal Court for the fiscal year ended June 30, 1998. As Auditor of Public Accounts, Hatchett is responsible for auditing the financial statements of Kentucky's county governments and state agencies. State law requires annual audits of county fiscal courts.

The audit contains the following comments:

- The fiscal court should pay invoices in a timely manner. As of June 30, 1999, unpaid obligations of the court 30 or more days old totaled \$258,236.
- The fiscal court should not have obligated funds in excess of revenue sources. Outstanding/unpaid obligations as of June 30, 1998, exceeded revenues received by \$138,372.
- The county should not have a deficit.
- The fiscal court should comply with KRS 68.005 that requires annual review the county administrative code.
- The fiscal court should maintain adequate documentation for bridge construction expenditures.
- The county should not treat employees as independent contractors.
- The fiscal court should monitor ambulance franchise fee collections.
- The fiscal court should have required depository institutions to pledge additional securities of \$1,008,315 and entered into a written agreement to protect deposits.
- The fiscal court should adopt a written investment policy.

Subsequent events (issues arising after June 30, 1998) noted in the audit report:

- The fiscal court should not have obligated funds in excess of revenue sources. As of July 23, 1999, the county owed \$546,393 in unpaid insurance premiums.
- On July 19, 1999 the County Judge Executive and the Leslie County

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Board of Education Superintendent executed a deed of conveyance without prior approval or authorization for this transaction by the fiscal court.

The report found that the county's financial statements, in all material aspects, fairly present the county's financial transactions.